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CENTRAL INTELLIGENCE AGENCY

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COMMUNIST ENTRENCHMENT IN EAST GERMANY

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In order to transform the German Democratic Republic (GDR) into a reliable and effective instrument of Soviet policy, the USSR has tried to create a single-party Communist state. It has sought to strengthen the Socialist Unity Party (SED) as the organ of direct Communist control, to neutralize or eliminate resistance or "deviationist" elements such as the churches and bourgeois parties, and systematically to exploit the highly centralized zonal economy.

Movement toward this goal, however, has never been pursued to the exclusion of the future unification of Germany as a pro-Soviet or at least "neutralized" political entity. Progress toward satellization has varied with the state of Soviet-Western relations. Total satellization or even integration with the Orbit has not been achieved, although the machinery for it now exists.

Nevertheless, East German reliability still depends overwhelmingly on the presence of the 24 Soviet divisions, plus the police and paramilitary organizations recruited since 1948 from the East German population. There is much doubt concerning the morale and effectiveness of these organizations.

Most of the significant steps in East Germany's political development have been taken ostensibly to offset or counter similar developments in West Germany. The economic merger in late 1946 of the American and British zones was followed in June 1947 by the creation of the Economic Commission for the Soviet Zone; the currency reform in West Germany in the spring of 1948 produced a violent reaction in East Germany culminating in the blockade of Berlin, the splitting of the city administration, and a currency reform for the Soviet Zone with a type of money distinct from that in the Western Zones. Refusal of the USSR to participate in the Marshall Plan in December 1947 at the Four Power London Conference, was ultimately followed by ambitious economic plans for East Germany and creation of a Council of Mutual Economic Assistance among the Orbit nations.

After the West German Federal Republic was formed in 1949, the USSR created its puppet German Democratic Republic with a People's Council, a Parliament, and a Cabinet. These trappings of democracy, however, did not alter the SED's tight control over every phase of the government. When the

Allied High Commission was established at Bonn, the Soviet Military Administration at Potsdam was changed into the present Soviet Control Commission.

Although the dismantling of industrial plants had virtually ceased by the beginning of 1948, reparations from current production continue to the present. In mid-1948 there began a shift toward integrating the zone with the Orbit; evidence of this was the Two Year Plan for 1949-50, a rapid increase in trade with the Orbit, and the Five Year Plan for 1951-55, the main goal of which is to achieve economic independence from the West.

Excessive concentration on industries needed for rearmament combined with the zone's lack of natural resources have exposed the economy to unusually severe strains, and goals have not been attained. Nevertheless, there has been a considerable expansion of industrial output despite acute material shortages due mainly to the great decline in legal trade with the West. Other weaknesses include the shortage of technical skill and the political limitations of excessive exploitation of labor and depressed living standards, a situation that has been further aggravated by the mass exodus of refugees, particularly in the last few months.

One impetus behind this flow of refugees, which reached 113,000 in the first three months of 1953, was the SED decision in June 1952 to speed up "socialization." This in turn was the outcome of the failure of Soviet efforts last May to prevent the signing of the Bonn and Paris treaties. Faced with the threat of European integration and a rearmed Western Germany, the Communist regime announced a program of "security safeguards" that in effect would finalize the East-West split and isolate the East German population behind an impassible barrier.

This included the establishment of border security zones, a campaign of intimidation against persons suspected of contacts with the West, and a sharp increase in internal surveillance. In the political field this was accompanied by two major reorganization decrees and a complete overhauling of the judicial system. Top policy-forming functions were gathered within the Presidium of the Council of Ministers, the majority of ministries were grouped under five coordination and control offices within the Presidium, and the five provincial governments were broken up into 14 district administrations wholly dominated by the central authorities. A vast increase in the number of lay judges ensured that "justice" would conform to political requirements.

These internal moves were accompanied by a stepped-up campaign of harassment against all traffic to West Berlin. Measures were taken to seal off the western sectors of Berlin from surrounding East German territory and attacks were made on Allied planes suspected of straying outside the air corridors.

Purges of unreliable East German functionaries were also announced, although they were for the most part confined to the ranks of the bourgeois parties. Such well-known non-Communist figures as Georg Dertinger, the Foreign Minister, and Karl Hamann, Minister of Trade and Supply, were removed from their posts, and the non-Communist parties generally were demoralized by the housecleaning. The purge of Communists proceeded more quietly, and despite some expectations a "show trial" has not materialized. Except for Gerhard Eisler, who was relieved of his propaganda post, the top level of the Communist hierarchy has not been affected.

A few areas of resistance, principally the churches, still stand out against the pressure of conformity to the Communist creed. With respect to labor, the government has demonstrated the uncertainty of its hold in the caution with which it has applied the more typical varieties of Communist exploitation. The bulk of the people evidently accept the Communist government and its Soviet military masters with sullen resignation and with the minimum of compliance consistent with personal safety. East Germany's pro-Western sentiment, however, is under present circumstances impotent to affect developments, and indigenous Communist control has been materially consolidated in the past year.

The most disquieting development in the past year from the standpoint of West German security has been the immense increase in the size of the East German paramilitary force and its conversion, not yet officially announced, into an East German army. Organized in 1948 as the People's Police Alert Units, this force has not been charged with internal security and has always remained separate from the civil police. The mixed cadre ground force units resemble in structure Soviet divisions, and there is no evidence that their original mission, the "unification" of Germany, has been changed.

By the end of 1950 Alert Police strength had reached 52,000, divided into infantry, artillery, tank, signal and engineer units, in addition to training schools. Last year the number was increased to over 100,000, organized into three divisions, plus about 20 cadre divisions partially equipped with Soviet arms and vehicles.

Although an air police may have been active as early as the summer of 1951, the air force did not emerge as a distinct arm until mid-1952.

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total strength in mid-February was tentatively estimated at 7,500. The Sea Police, organized in 1950, had attained an estimated strength of 4,500 by October 1952. Originally developed as a mine-sweeping and coastal patrol force, it is now emerging as a small-scale navy with destroyers, submarines and motor-torpedo boats reportedly assigned to it by the USSR. An extensive naval installation under construction on Ruegen Island in the Baltic will take care of the anticipated reorganization of this force into an East German fleet.

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All three East German armed services are at present under the Interior Ministry. Actual control remains in the hands of the Soviet Control Commission, and Soviet "advisers" in East German uniforms are always present to assure this control, although the SED exercises some supervision over military affairs comparable to its control of the state apparatus.

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Indications hint at another great increase in the armed forces in 1953, possibly another doubling in size. This would require conscription; however, its announcement is unlikely until the EDC and West German rearmament are more of a reality than at present.

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Moreover, the Five Year Plan is encountering substantial difficulties, the prospective achievement for 1953 being less hopeful than that for 1952, when the industrial output of some critical commodities did not meet plan targets. Up to now "fulfillment" of the plan has been achieved by the overproduction of nonessentials, offsetting underproduction of important products. Consumer goods are extremely scarce, and the already serious shortages of materials are increasing proportionately with the growth of the East German army. Although industrial production is now probably somewhat in excess of 1936 output, East German agriculture has not yet reached prewar levels, and 1952 was a poor crop year. This situation is further aggravated by the abandonment since November 1952 of an estimated 740,000 acres of farmland which is about five percent of the productive land.

It is clear that the basic policies, both internal and external, pursued by the East German government have been such as to make reunification with West Germany impossible except on Soviet terms. Current "peace" gestures such as the easing of access to West Berlin and the relaxation of certain pressures on the East German population, modify these policies temporarily but do not change their basic character.